



# *News Release*

NIPPON TELEGRAPH AND TELEPHONE EAST CORPORATION

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**May 12, 2005****FOR IMMEDIATE RELEASE****Settlement for Fiscal Year Ended March 31, 2005**

The results of Nippon Telegraph and Telephone East Corporation (NTT East) for fiscal 2004 are presented in the following attachments.

(Attachments)

1. Summary of Results for Fiscal Year Ended March 31, 2005
2. Non-consolidated Balance Sheets
3. Non-consolidated Statements of Income
4. Non-consolidated Statements of Cash Flows
5. Proposal for Appropriation of Unappropriated Retained Earnings
6. Business Results (Non-consolidated Operating Revenues)
7. Changes in Directors

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**Summary of Results for Fiscal Year Ended March 31, 2005**

During the fiscal year ended March 31, 2005, the economy continued to show signs of a steady recovery. Personal consumption showed a gradual increase and capital investment increased. Toward the end of the fiscal year, however, the economic recovery eased as personal consumption turned flat.

In the information and communications sector, demand for broadband services has been growing rapidly, ADSL speed has continued to rise, and intense competition for customers has led to lower rates. In the second half of the fiscal year, demand for optical access services expanded on a large scale. In the fixed-line market, competitive conditions became even more severe as other telecommunications carriers entered the basic service fees market by providing direct subscriber telephone services using dry copper lines.

Within this business environment, Nippon Telegraph and Telephone East Corporation (NTT East) has worked hard to develop new sources of revenue and build a strong financial base while keeping business operations focused on the vision of being “a truly customer-oriented company.” NTT East has positioned this fiscal term as the critical year for gearing up its recently launched “Hikari” optic network and has implemented an internal reorganization in order to further boost its sales and service-development capabilities and to accelerate decision making. In addition, NTT East has worked actively to develop a wide range of new IP/broadband services and to provide high value-added content.

The main actions implemented during this fiscal year may be summarized as follows.

First, in the broadband market, NTT East worked to further upgrade and expand its services to respond to its customers’ diverse needs, while continuing to lower rates. Specifically, in August 2004, NTT East began offering faster transfer speeds through “FLET’S ADSL More III,” with maximum download

speeds of approximately 47 Mbps and maximum upload speeds of approximately 5 Mbps. In November 2004, we introduced the 1 Gbps B FLET'S "Hyper Family Type," which provides services to multiple subscribers via a fiber optic network with maximum download and upload speeds of 100 Mbps.

In addition, NTT East began providing a high quality IP Telephony Service (Hikari Denwa) which uses fiber access to provide low-priced voice transmissions with the same quality as fixed telephone lines, first to condominium complexes in September 2004, and then to single-family dwellings in February 2005. While actively expanding our service areas, NTT East also added a menu of services for small and medium-sized enterprises in April 2005, so that our existing corporate IP telephone services can be used by a wider range of corporate customers.

Meanwhile, NTT East began providing an IP-based video phone terminal called "FLET'S PHONE VP1000" operated by a user-friendly touch screen, for added customer convenience. We also launched the "FLET'S SPOT" service which provides high-speed, flat-rate wireless Internet access at speeds up to 54 Mbps using wireless LAN access points near major train stations, hotels, and other key locations in the Tokyo metropolitan area.

In broadband content, NTT East expanded the menu of the "DisneyBB on FLET'S" which allows users to have fun together with Disney characters. It also expanded its offerings of high value-added content for the broadband environment through business alliances including launching the new "Try To Golfers'BB on FLET'S" service which gives users a virtual experience of actual golf courses.

NTT East has also taken a number of steps to promote sales. We have worked to lower rates by instituting toll-free calls between "Corporate IP Telephone Service" subscribers for intraprefectural in addition to interprefectural calls, reduced the monthly access rates for B FLET'S services, and extended campaigns that waive the monthly fees for FLET'S and other services for a limited period of time.

With respect to phone rates, in April 2004, NTT East launched a new fixed-line

to mobile telephone service which allows users to dial the NTT East access code 0036 and receive lower rates than those set by mobile carriers. Considering the recent changes in the competitive environment of the telecommunications market, and in anticipation of the coming era of optical IP services, which will usher in a system of flat basic charges and call rates, NTT East introduced the "Ichiritsu" fee reduction plan in January 2005, and lowered subscription fees (facilities and equipment charges) in March 2005.

In the corporate services sector, NTT East implemented a review of its headquarters in July 2004 in order to construct business units for each business group based on operations by industry and business category and to realize a corporate system that will enable it to provide total services from service development to sales. Under NTT East's "Team M@rketing Solutions," a business concept for tackling issues and developing new businesses in partnership with its corporate customers, NTT East has been working actively to provide new services for business users, including data centers and corporate optic access services such as "Mega Data Netz," "Super Wide LAN," and "Metro Ether," while simultaneously moving forward with its "total solutions" business designed to meet the increasingly diverse and sophisticated needs of its customers, by taking advantage of the bilateral-contract system under the amended Telecommunications Business Law, revised in April 2004. In addition, active efforts are under way in the e-Japan Strategic Sales Promotion Division of the Corporate Business Headquarters, as well as the e-Japan Strategic Sales Promotion Office of the Business Communications Department of each branch, to respond to opportunities presented by the e-Japan Priority Plans of local governments within the NTT East area.

As for business management structure, we have established three new units--the Consumer Business Headquarters, Corporate Business Headquarters, and Network Business Headquarters--and implemented a reorganization of NTT East corporate headquarters by streamlining and consolidating administrative departments to increase the speed of decision making, including relationships with branch offices. In addition, the NTT East Group has been working actively to expand its business domain, as seen in the development of a new IT home consulting business offered through partnerships with the prefectural outsourcing subsidiaries\* established under the group's structural reform

program.

\* Prefectural outsourcing subsidiaries: Companies set up at the prefecture level named NTT Service [prefecture name] Corporation, NTT ME [prefecture or region name] Corporation, or NTT Business Associe [prefecture name] Co., Ltd.

We also recognize that ensuring compliance is vitally important to the continued existence of any business, and have pursued this through upgrading management systems and providing thorough employee education. In anticipation of the full-scale enforcement of the Personal Information Protection Act this April, NTT East formulated and released a policy on the protection of personal information, and established a Personal Information Protection Promotion Office. NTT East will continue to diligently promote the appropriate handling of personal information.

In its efforts to protect the environment and in accordance with “NTT East’s Global Environment Charter” enacted in December 1999, NTT East has continued to advance environmental management and worked to reduce burden on the environment, for example, by developing eco-steel telephone poles with superior durability and corrosion prevention properties, taking measures to counter global warming, reducing paper resources and waste materials, continuously implementing information and communications life-cycle assessments (LCA), and most recently, by publishing the NTT East Environmental Report 2004.

Furthermore, NTT East provided support to the victims of the October 2004 Niigata Chuetsu Earthquake by making an all-out effort to quickly restore telecommunications facilities and resume communications services. In addition, NTT East strove to ensure means of communication by setting up public telephones and operating the “171” disaster message service, and did not charge basic fees to customers who suffered equipment damage or were otherwise unable to use their telephones. NTT East also provided free Dial Q<sup>2</sup> services to broadcasters and public organizations in order to assist the collection of contributions to the victims of the Sumatra earthquake and tsunami.

As a consequence of these developments, NTT East's business results for the fiscal year ended March 31, 2005 were as follows. Operating revenue totaled 2,180.9 billion yen (a decrease of 3.8% from the previous year), recurring profit amounted to 97.6 billion yen (a decrease of 0.2% from the previous year), and net profit totaled 58.1 billion yen (an increase of 0.2% from the previous year).

**NON-CONSOLIDATED BALANCE SHEETS**

(Based on accounting principles generally accepted in Japan)

	<u>March 31, 2004</u>	<u>March 31, 2005</u>	
	Millions of Yen	Millions of Yen	*Millions of US\$
<b><u>ASSETS</u></b>			
FIXED ASSETS	3,664,084	3,503,830	32,746
CURRENT ASSETS	642,633	584,469	5,462
<b>TOTAL ASSETS</b>	<b><u>4,306,718</u></b>	<b><u>4,088,300</u></b>	<b><u>38,208</u></b>
<b><u>LIABILITIES</u></b>			
<b>LONG-TERM LIABILITIES:</b>			
Long-term debt	1,010,103	883,881	8,260
Liability for employees' severance payments	728,580	656,004	6,130
Other	6,207	7,359	68
Total long-term liabilities	<u>1,744,890</u>	<u>1,547,245</u>	<u>14,460</u>
<b>CURRENT LIABILITIES:</b>			
Current portion of long-term debt	95,559	144,171	1,347
Accounts payable, trade	170,463	118,372	1,106
Accounts payable, other	324,058	273,517	2,556
Accrued taxes on income	146	2,676	25
Other	77,950	83,266	778
Total current liabilities	<u>668,178</u>	<u>622,004</u>	<u>5,813</u>
<b>TOTAL LIABILITIES</b>	<b><u>2,413,069</u></b>	<b><u>2,169,249</u></b>	<b><u>20,273</u></b>
<b><u>SHAREHOLDERS' EQUITY</u></b>			
Common stock	335,000	335,000	3,130
Additional paid-in capital	1,499,726	1,499,726	14,016
Unappropriated retained earnings for the year	57,985	83,563	780
Net unrealized gains (losses) on securities	936	760	7
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b><u>1,893,648</u></b>	<b><u>1,919,050</u></b>	<b><u>17,935</u></b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b><u>4,306,718</u></b>	<b><u>4,088,300</u></b>	<b><u>38,208</u></b>

Note:\*Yen amounts have been translated, for convenience only, at ¥ 107=US \$ 1.00, the approximate exchange rate on March 31, 2005. Fractions are rounded down.

**NON-CONSOLIDATED STATEMENTS OF INCOME**  
 (Based on accounting principles generally accepted in Japan)

	<u>Year Ended March 31</u>		
	<u>2004</u>	<u>2005</u>	
	<u>Millions</u> <u>of Yen</u>	<u>Millions</u> <u>of Yen</u>	<u>*Millions</u> <u>of US\$</u>
OPERATING REVENUES	2,267,184	2,180,928	20,382
OPERATING EXPENSES	2,180,778	2,093,194	19,562
OPERATING INCOME	86,406	87,733	819
NON-OPERATING REVENUES	61,277	61,006	570
NON-OPERATING EXPENSES	49,830	51,124	477
RECURRING PROFIT	97,853	97,615	912
SPECIAL PROFITS	9,305	8,397	78
SPECIAL LOSSES	6,736	6,736	62
INCOME BEFORE INCOME TAXES	100,422	99,276	927
CORPORATION,INHABITANT, AND ENTERPRISE TAXES	16,237	(21,153)	(197)
DEFERRED TAX EXPENSES (BENEFITS)	26,200	62,300	582
NET INCOME	<u>57,985</u>	<u>58,129</u>	<u>543</u>
PER SHARE DATA #(in exact)	<u>of Yen</u>	<u>of Yen</u>	<u>of US\$</u>
NET INCOME	8,646	8,667	81
CASH DIVIDEND	4,850	5,000	46

Note:\*Yen amounts have been translated, for convenience only, at ¥ 107=US \$ 1.00, the approximate exchange rate on March 31, 2005. Fractions are rounded down.



**NON-CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Based on accounting principles generally accepted in Japan)

	<u>Year Ended March 31</u>		
	<u>2004</u>	<u>2005</u>	
	Millions of Yen	Millions of Yen	*Millions of US\$
<b>Cash flows from operating activities:</b>			
Income before income taxes	100,422	99,276	927
Depreciation and amortization	465,913	483,027	4,514
Loss on disposal of property, plant and equipment	45,879	40,136	375
Increase (decrease) in liability for employees' severance payments	(63,293)	(72,575)	(678)
(Increase) decrease in accounts receivable	5,654	12,725	118
Increase (decrease) in accounts payable and accrued expenses	(7,316)	(83,952)	(784)
Increase (decrease) in accrued consumption tax	1,332	(158)	(1)
Other	(48,441)	(11,987)	(112)
Sub-total	500,151	466,490	4,359
Interest and dividends received	1,216	297	2
Interest paid	(20,919)	(17,771)	(166)
Income taxes received (paid)	57,412	(16,095)	(150)
Net cash provided by (used in) operating activities	537,861	432,922	4,046
<b>Cash flows from investing activities:</b>			
Payments for property, plant and equipment	(377,906)	(401,013)	(3,747)
Acquisition of investments	(1,564)	(7,353)	(68)
Other	(1,313)	20,315	189
Net cash provided by (used in) investing activities	(380,784)	(388,050)	(3,626)
<b>Cash flows from financing activities:</b>			
Proceeds from issuance of long-term debt	10,000	17,950	167
Payments for settlement of long-term debt	(143,373)	(95,559)	(893)
Increase (decrease) in short-term borrowings	(55,000)	—	—
Dividends paid	(3,035)	(32,495)	(303)
Net cash provided by (used in) financing activities	(191,408)	(110,104)	(1,029)
Net increase (decrease) in cash and cash equivalents	(34,331)	(65,232)	(609)
Cash and cash equivalents at beginning of year	220,619	186,287	1,741
Cash and cash equivalents at end of year	186,287	121,055	1,131

Note:\*Yen amounts have been translated, for convenience only, at ¥ 107=US \$ 1.00, the approximate exchange rate on March 31, 2005. Fractions are rounded down.

**PROPOSAL FOR APPROPRIATION OF UNAPPROPRIATED RETAINED EARNINGS**

	(Millions of Yen)	
	Year Ended March 31, 2004	Year Ended March 31, 2005
Unappropriated Retained Earnings for the Year	57,985	83,563
Proposal of Appropriation:		
Cash Dividends	32,495 (¥ 4,850 per share)	33,500 (¥ 5,000 per share)
Bonuses to directors and corporate auditors (Portion to corporate auditors)	57 (11)	54 (13)
Unappropriated Retained Earnings Carried Forward	25,433	50,008

Note: Fractions are rounded down.

**BUSINESS RESULTS (NON-CONSOLIDATED OPERATING REVENUES)**  
**(Based on accounting principles generally accepted in Japan)**

(Millions of Yen)

Services	Year Ended March 31, 2004	Year Ended March 31, 2005	Increase (Decrease)
Voice Transmission Services Revenues (excluding the amounts of IP Services Revenues)	1,506,952	1,401,433	(105,518)
Monthly Charge Revenues*	939,584	903,629	(35,954)
Call Rates Revenues*	238,749	190,405	(48,343)
Interconnection Call Revenues*	224,417	215,128	(9,289)
IP Services Revenues	151,343	211,357	60,014
Leased Circuit Services Revenues (excluding the amounts of IP Services Revenues)	246,962	208,730	(38,232)
Telegram Services Revenues	30,992	27,201	(3,791)
Other Telecommunications Services Revenues	166,561	175,907	9,345
Telecommunications Total Revenues	2,102,812	2,024,629	(78,182)
Related Business Total Revenues	164,371	156,298	(8,073)
Total Operating Revenues	2,267,184	2,180,928	(86,256)

\* Partial listing only

Note: Fractions are rounded down.

Attachment 7

**Changes in Directors**

(1) Candidates for Senior Vice President

Toyohiko Takabe	(NTT Corporation)
Fuminori Kozono	(Deputy Senior Executive Manager, Corporate Business Headquarters)
Hiroki Watanabe	(Executive Manager, Strategy Planning Division, Corporate Business Headquarters)
Masayuki Yamamura	(NTT Corporation)
Kiyoshi kousaka	(NTT West Corporation)

(2) Senior Vice President scheduled to retire from office

President

Satoshi Miura	(Scheduled to join NTT Corporation)
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Senior Executive Vice President

Goro Yagihashi	(Scheduled to join DAIMEI TELECOM ENGINEERING CORP.)
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Executive Vice President

Kazuo Ohki	(Scheduled to join NTT-ME Corporation)
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Senior Vice President

Akira Arima	(Scheduled to join NTT Corporation)
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Senior Vice President

Masaki Mitsumura	(Scheduled to join NTT Communications Corporation)
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(3) Personnel scheduled to take posts of President, Senior Executive Vice President, and Executive Vice President

(i) President

Toyohiko Takabe

(ii) Senior Executive Vice President

Executive Vice President      Tetsuo Koga

(iii) Executive Vice President

Senior Vice President      Atsushi Yano

#### (4) New Executives' Positions and Organizational Responsibilities

<div> <div>New Position(s) and Organizational Responsibilities</div> </div>	<div> <div>Name</div> </div>	<div> <div>Current Position(s) and Organizational Responsibilities</div> </div>
<p>Senior Executive Vice President Senior Executive Manager, Corporate Business Headquarters Responsible for: Information System Technology Department Procurement and Supply Center</p>	<p>Hajime Takashima</p>	<p>Senior Executive Vice President Senior Executive Manager, Corporate Business Headquarters Responsible for Information System</p>
<p>Senior Executive Vice President Senior Executive Manager, Consumer Business Headquarters Responsible for: Protection of Personal Data Institutional affairs General affairs and personnel Department Accounts and Finance Department</p>	<p>Tetsuo Koga</p>	<p>Executive Vice President Senior Executive Manager, Consumer Business Headquarters Executive Manager, Business Marketing Department, Consumer Business Headquarters</p>
<p>Executive Vice President Senior Executive Manager, Network Business Headquarters</p>	<p>Atsushi Yano</p>	<p>Senior Vice President Executive Manager, Plant Planning Department, Network Business Headquarters</p>
<p>Senior Vice President Deputy Senior Executive Manager, Corporate Business Headquarters Executive Manager, e-Japan Strategic Sales Promotion Division, Corporate Business Headquarters</p>	<p>Fuminori Kozono</p>	<p>Deputy Senior Executive Manager, Corporate Business Headquarters Executive Manager, e-Japan Strategic Sales Promotion Division, Corporate Business Headquarters</p>

New Position(s) and Organizational Responsibilities	Name	Current Position(s) and Organizational Responsibilities
Senior Vice President Executive Manager, Corporate Strategy Planning Department	Hiroki Watanabe	Executive Manager, Strategy Planning Division, Corporate Business Headquarters
Senior Vice President General Manager, Tokyo Branch Deputy Senior Executive Manager, Corporate Business Headquarters	Masayuki Yamamura	
Senior Vice President	Kiyoshi Kousaka	

**Note:**

Toyohiko Takabe will become a Senior Vice President on June 28, 2005, and will be appointed President of NTT East on the same day. Similarly, Kiyoshi Kousaka will become a Senior Vice President of NTT Corporation on June 28, 2005, and will be appointed Senior Vice President of NTT East on the same day. Senior Vice President Kiyoshi Kousaka has met the requirements for external Senior Vice President.

Executives scheduled to retire from office will do so following the sixth regular shareholders' meeting (June 24), except for President Satoshi Miura, who will resign on June 28, 2005.

## Non-Consolidated Financial Results for the Year Ended March 31, 2005

April 1, 2004 - March 31, 2005  
(Based on accounting principles generally accepted in Japan)

### 【Operating Results】

(Billions of Yen)

Details	Year Ended March 31, 2005	Year Ended March 31, 2004	Increase (Decrease)	Percent Increase (Decrease)
Operating Revenues	2,180.9	2,267.1	(86.2)	(3.8%)
Operating Expenses	2,093.1	2,180.7	(87.5)	(4.0%)
Operating Income	87.7	86.4	1.3	1.5%
Non-Operating Income	9.8	11.4	(1.5)	(13.7%)
Recurring Profit	97.6	97.8	(0.2)	(0.2%)
Special Profits	8.3	9.3	(0.9)	(9.8%)
Special Losses	6.7	6.7	—	—
Income before Income Taxes	99.2	100.4	(1.1)	(1.1%)
Income Taxes	41.1	42.4	(1.2)	(3.0%)
Net Income	58.1	57.9	0.1	0.2%

- Notes: 1. Special Profits for the year ended March 31, 2005 are gain on sale of property, plant and equipment.  
2. Special Losses for the year ended March 31, 2005 are amortization of cumulative effect of change in accounting standard for severance payments and pension plans.

### 【Proposal for Appropriation of Unappropriated Retained Earnings】

(Billions of Yen)

Details	Year Ended March 31, 2005
Unappropriated Retained Earnings for the Year	* 83.5
Cash Dividends	33.5
Bonuses to Directors and Corporate Auditors	54 million yen
Appropriation of Unappropriated Retained Earnings	33.5
Unappropriated Retained Earnings Carried Forward	50.0

Net Income 58.1

Unappropriated Retained Earnings Brought Forward(+) 25.4

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\* Unappropriated Retained Earnings for the Year 83.5

### 【Forecasts for the Year Ending March 31, 2006】

(Billions of Yen)

Details	Operating Revenues	Operating Income	Recurring Profit	Net Income
Forecasts for the Year Ending March 31, 2006	2,012.0	15.0	25.0	15.0



## 【Breakdown of Operating Revenues and Operating Expenses】

### (1) Operating Revenues

(Billions of Yen)

Service	Year Ended March 31, 2005	Year Ended March 31, 2004	Increase (Decrease)	Percent Increase (Decrease)
Voice Transmission Services Revenues (excluding the amounts of IP Services Revenues)	1,401.4	1,506.9	(105.5)	(7.0%)
Monthly Charge Revenues*	903.6	939.5	(35.9)	(3.8%)
Call Rates Revenues*	190.4	238.7	(48.3)	(20.2%)
Interconnection Call Revenues*	215.1	224.4	(9.2)	(4.1%)
IP Services Revenues	211.3	151.3	60.0	39.7%
Leased Circuit Services Revenues (excluding the amounts of IP Services Revenues)	208.7	246.9	(38.2)	(15.5%)
Telegram Services Revenues	27.2	30.9	(3.7)	(12.2%)
Other Telecommunications Services Revenues	175.9	166.5	9.3	5.6%
Related Business Revenues	156.2	164.3	(8.0)	(4.9%)
<b>Total</b>	<b>2,180.9</b>	<b>2,267.1</b>	<b>(86.2)</b>	<b>(3.8%)</b>

\* Partial listing only

Note: "Voice Transmission Services Revenues" represent the total of telephone revenues and ISDN revenues.

### (2) Operating Expenses

(Billions of Yen)

Details	Year Ended March 31, 2005	Year Ended March 31, 2004	Increase (Decrease)	Percent Increase (Decrease)
Personnel	206.5	234.3	(27.8)	(11.9%)
Purchase of goods and services	1,275.3	1,343.5	(68.1)	(5.1%)
Depreciation and amortization	469.8	458.8	11.0	2.4%
Retirement of fixed assets	63.7	68.4	(4.6)	(6.8%)
Miscellaneous Taxes	77.6	75.6	1.9	2.6%
<b>Total</b>	<b>2,093.1</b>	<b>2,180.7</b>	<b>(87.5)</b>	<b>(4.0%)</b>

# 【Financial Position】

(Billions of Yen)

Details	March 31, 2005	March 31, 2004	Increase (Decrease)	Percent Increase (Decrease)
Fixed Assets	3,503.8	3,664.0	(160.2)	(4.4%)
Current Assets	584.4	642.6	(58.1)	(9.1%)
Total Assets	4,088.3	4,306.7	(218.4)	(5.1%)
Long-Term Liabilities	1,547.2	1,744.8	(197.6)	(11.3%)
Current Liabilities	622.0	668.1	(46.1)	(6.9%)
Total Liabilities	2,169.2	2,413.0	(243.8)	(10.1%)
Interest-Bearing Debt*	1,028.0	1,105.6	(77.6)	(7.0%)
Shareholders' Equity	1,919.0	1,893.6	25.4	1.3%
Total of Liabilities and Shareholders' Equity	4,088.3	4,306.7	(218.4)	(5.1%)

\* Partial listing only

# 【Cash Flows】

(Billions of Yen)

Details	Year Ended March 31, 2005	Year Ended March 31, 2004	Increase (Decrease)
I . Cash Flows from Operating Activities	432.9	537.8	(104.9)
II . Cash Flows from Investing Activities	(388.0)	(380.7)	(7.2)
III . Cash Flows from Financing Activities	(110.1)	(191.4)	81.3
IV . Net Increase (Decrease) in Cash and Cash Equivalents	(65.2)	(34.3)	(30.9)
V . Cash and Cash Equivalents at Beginning of Year	186.2	220.6	(34.3)
VI . Cash and Cash Equivalents at End of Year	121.0	186.2	(65.2)

【Reference】

1. Number of Subscriber Lines

Details	March 31, 2005	March 31, 2004	Increase (Decrease)	Percent Increase (Decrease)
Number of Telephone Subscriber Lines #(1,000)	24,925	25,264	(339)	(1.3%)
Number of ISDN Subscriber Lines #(1,000)	4,425	4,756	(331)	(7.0%)
Number of Subscriber Lines	29,350	30,020	(670)	(2.2%)

Notes: 1. "Number of Telephone Subscriber Lines" is the total of individual lines and central station lines (Analog Lite Plan is included).

2. Since, in terms of number of channels, transmission rate, and line use rate (base rate), INS-Net 1500 is in all cases roughly ten times greater than INS-Net 64, one INS-Net 1500 subscriber is calculated as ten INS-Net 64 subscribers (INS-Net 64 Lite Plan is included).

2. Number of IP-related Services Subscribers

Details	March 31, 2005	March 31, 2004	Increase (Decrease)	Percent Increase (Decrease)
Number of B-FLET'S Subscribers #(1,000)	885	426	459	107.7%
Number of FLET'S ADSL Subscribers #(1,000)	2,833	2,283	551	24.1%
Number of FLET'S ISDN Subscribers #(1,000)	413	514	(101)	(19.7%)

3. Number of Employees

(Employees)

Details	March 31, 2005	March 31, 2004	Increase (Decrease)	Percent Increase (Decrease)
Number of Employees	14,200	14,900	(700)	(4.7%)

4. Capital Investments

(Billions of Yen)

Details	Year Ended March 31, 2005	Year Ended March 31, 2004	Increase (Decrease)	Percent Increase (Decrease)
Capital Investments	399.1	377.8	21.3	5.6%